

Dubai Set To Be The Fastest Growing TimeShare Market In The World

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Dubai is set to be the fastest growing timeshare market in the world due to the significant increase in the number of tourists, real estate prices and hotel room rates in the emirate over the next decade.

According to a report, A Slide of Paradise, released by Arabian Falcon Holidays (AFH), the largest independent timeshare sales and marketing company in the Middle East, the timeshare sector will give Dubai economy a Dh14 billion boost in 2020 thanks to the significant increase in the number of tourists, real estate prices and hotel room rates in the emirate over the next decade.

The report said: "The surging property prices and hotel room rates in the UAE and across the region will lead to a boom in the timeshare sector within the next few years. Dubai is strategically placed to benefit from the growth in this sector, considering its early adoption of the concept. Furthermore the growth is expected to take on a speedy upward trend since timeshare is still an emerging sector in Dubai."

The report said the boom will be most prominent in the UAE and Saudi Arabia, two GCC economies that have already taken a lead in the development of the sector.

Arabian Falcon Holidays expects that the timeshare sector in Dubai has the potential to grow at a rapid pace and contribute at least Dh14 billion to the emirate's economy in 2020, thanks to the rapid increase in the number of travellers visiting the emirate for business and leisure.

Commenting on the report, Mohannad Sharafuddin, Chairman & CEO of Arabian Falcon Holidays, said: "Dubai is one of the top countries in the world that receive frequent international visitors - new and returning ones - both for business or leisure, exceeding those registered by many tourist destinations globally. And this makes Dubai an ideal place to invest in the timeshare sector."

The timeshare concept marks one of the highest growing rates in the tourist sector. However, its penetration within the Middle East region remains limited.

But this is likely to change soon.

With property prices in Dubai clocking the fastest growth rate in the world last year, many aspiring property owners in the emirate are being priced out of the second home or vacation homes market. For such people and millions others who visit Dubai on a regular basis and stay in one of the hundreds of hotels around town, an investment in timeshare makes perfect financial sense.

According to a report from property broker Knight Frank in December 2013, Dubai's rising house prices are the world's fastest, surpassing price rises in Mainland China, Hong Kong and Taiwan.

A survey held by Yahoo Maktoob Research also said that Dubai has become the most popular shopping destination in World beating mega cities like Paris, London, New York, Beijing etc. Over the last decade Dubai has established itself as a city of shopping malls, luxurious lifestyle destination and land of opportunities for retailers from all over the world. Now Dubai has become the number one global tourism destination.

The existing resorts and hotel facilities which operate under the timeshare concept has doubled on a global scale during the last two decades, as around 5000 hotel and resorts work. As of mid-2013, there were about 5,500 timeshare resorts spread across 108 countries, demonstrating the significant footprint of the industry. Globally, shared vacation ownership supported more than 1.1 million jobs in 2010 and generated over \$45 billion in direct economic output - which expands to nearly \$114 billion when including indirect and induced impacts.

"With property prices in Dubai marking one of the fastest growth in the world, it is expected that this will encourage a lot of people to invest in vacation homes market. For such people and million others who visit Dubai on a regular basis and stay in one of the hundreds of hotels in the city, an investment in timeshare makes perfect financial sense," said the study.

Dubai hotel and hotel apartment guests have reached 10.5 million in 2013, while residence nights were up 6.3 per cent at more than 41 million. The official expectations suggested that Dubai will receive 20 million visitors by 2020. Nevertheless, this number is currently under reconsideration, after Dubai won the right to organise the World Expo 2020 exhibition, which is expected to receive additional 25 million visitors.

"With only a handful of quality timeshare resort options in Dubai currently, the sector is set to witness a rapid growth in years to come, bolstered by the organic growth that the tourism sector will see," the study said.

The timeshare sector represents an ideal choice for families from neighbouring GCC countries, as it enables them to cut the cost of accommodation during their holidays/vacation.

Property market the world over is cyclical in nature, as we were reminded by the recent global financial crisis. In 2009, Dubai was in fact among the worst performing real estate markets in the world, with property prices declining by almost 50 per cent from their peaks in the previous year.

The report said: "While Dubai's real estate market has seen a swing from being one of the world's worst performing markets to being the world's best performing market in four years, timeshare as a market remains recession-proof. This also means that it doesn't see wild swings on the upside or downside - it provides much-needed stability to the market in times of crisis while providing holidaymakers with less expensive stays during upturns as well as downturns.

"With currently only a handful of quality timeshare resort options in Dubai, the sector is set to witness rapid growth in years to come, bolstered in no small measure by the organic growth that tourism will see. Moreover, the industry will receive a major boost by the additional 25 million visitors that are projected to descend on Dubai in six years from now as a result of the emirate hosting the World Expo 2020."